



NATIONAL ASSOCIATION OF REALTORS®

The Voice for Real Estate

700 Eleventh Street, NW
Washington, DC 20001-4507
202.383.1194 fax 202.383.7580
www.realtor.org/federalissues

Catherine B. Whatley, CIPS, CRS, GRI, LTG
President

Terrence M. McDermott
EVP/CEO

GOVERNMENT AFFAIRS
Jerry Giovaniello, Senior Vice President
Walter J. Witek, Jr., Vice President

November 4, 2003

Dear Representative:

The more than 950,000 member of the NATIONAL ASSOCIATION OF REALTORS® are pleased to support the Committee's bill H.R. 2896, The American Jobs Creation Act of 2003. The legislation is a well-tuned combination of domestic and international reforms that simplify business taxation, reduce corporate tax rates for many business sectors, and assure that American workers have the most productive workspaces in which to conduct their operations.

The real estate industry has been a bright spot in the economy for several years. In order to sustain this momentum, more American workers need good, value-added jobs. Thus, we support your bill and urge all Members of Congress to give you their support.

One very important domestic tax reform in H.R. 2896 is the provision that would reduce the cost recovery period for leasehold improvements from 39 years to 15 years. This is a goal that the real estate industry has sought for several years. The Department of Treasury, Congressional Research Service, and numerous studies have all verified that current law treatment is unfair. This legislation rights a wrong.

The leasehold improvement provision is consistent with the goals of enhancing productivity and increasing jobs. Improved capital recovery rules for these improvements will assure that workers have the best possible space in which to work. The process of making these improvements enables owners and/or tenants to create numerous jobs in construction trades. Thus, the leasehold improvement provision has the dual benefit of both enhancing business output and increasing capital expenditures as new jobs come on line.

We urge the speedy enactment of this important legislation.

Sincerely,

Jerry Giovaniello
Sr. Vice President

